

**Connecticut General Assembly  
Transportation & Commerce Committee Public Hearing  
Testimony of John E. Joyner & Phillip F. Alfieri, Infrastructure Management Group (IMG)  
February 18, 2009**

**Proposed H. B. No. 5898  
AN ACT CONCERNING THE PRIVATIZATION OF CONNECTICUT'S AIRPORTS**

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Good afternoon Senator DeFronzo, Representative Guerrero, Senator LeBeau and Representative Berger, distinguished members of the Commerce and Transportation committee and invited guests. My name is John Joyner. I am President of Infrastructure Management Group, Inc. and am here in support of Proposed House Bill 5898 an act concerning the privatization of Connecticut's Airports as well as the other related bills submitted in this January 2009 session.

Infrastructure Management Group has been helping infrastructure asset owners maximize the value and performance of their facilities for the past 15 years. We help drive major revenue growth, cost reduction and performance improvement from within the organization, and we also help negotiate successful long-term public-private partnerships (P3s) that leverage private equity investment and asset management expertise. IMG led the first Airport P3 process in the U.S., Indianapolis Airport, as well as the first airport privatization process that successfully applied to the FAA Airport Privatization Program, Stewart Airport in New York. Since then IMG principals have been involved in over 15 airport P3s in the U.S and abroad.

We strongly encourage the legislature to allow a careful and comprehensive public-private partnership for Bradley International Airport. This legislation would provide Connecticut with the opportunity to "unlock the value" of the airport through a long-term lease, one that that could result in a large upfront payment and/or annual payments to help solve the State's budget deficit. As many of you know, states across the country are facing budget deficits estimated to exceed \$97 billion. Neighboring states like Massachusetts, Rhode Island and New York are actively reviewing their assets for similar transactions. However, few assets in the region are as attractive for a P3 as Bradley Airport. Unlocking its unrealized value is an appealing alternative to raising taxes or slashing valuable programs. At the same time, a public-private partnership is also an investment in the region's economic future.

The new value created by a public-private partnership is real; just as private companies can create new value for their shareholders, and customers, when they acquire, transform and invest in a promising young business, so can a private aviation partner for Bradley Airport. Through a properly structured public-private partnership, with proper State oversight, the legislature can reshape the airport as both an economic engine and a financial reservoir for current and future public programs.

Current decreases in aviation activity are placing pressures on aviation authorities, exacerbating their need to raise prices and seek alternative revenues sources in the face of declining traffic. However, there are plenty of historical examples from past recessions to show that airports with

solid passenger bases and comparatively good regional locations recover well alongside the economy as a whole. Investors know this and tend to be aggressive when attractive airport investment opportunities arise, even in a downturn. Literally hundreds of billions of dollars have been organized worldwide by private investors to address these opportunities. Accordingly, IMG believes that Bradley Airport would be an extremely attractive investment

Recent market activity includes a P3 for Chicago's Midway airport resulting in a \$2.5 billion lease payment to the City. The State of Indiana and the City of Chicago now find themselves in an enviable budget position compared to other states and cities, respectively, largely because of the huge infusion of revenue they received from the long-term leases of some of their transportation assets. We now expect upcoming P3s to include airports New Orleans, Milwaukee, Indianapolis and Riverside, California, among others.

If the legislature and the administration decide to proceed with a P3 for Bradley Airport, the FAA has established a program and process involving the following steps at that could take 2 years to complete:

- Step 1: Preliminary Application to the FAA [See attached file Federal registry to extract details of what needs to be submitted]
- Step 2: FAA's issuance of "Acceptance for Review" of Preliminary Application
- Step 3: Issuance of RFP
- Step 4: Bidding process
- Step 5: Review and selection of best offer
- Step 6: Negotiations with best offer party
- Step 7: Final Application to FAA
- Step 8: 60 day comment period
- Step 9: FAA issuance of "Acceptance of Application"

We hope that the legislature will move forward to adopt proper enabling legislation that will guide a successful public-private partnership that will fund critical budget deficits and provide for the continuing economic development associated with Bradley Airport.

My partner Phil Alfieri and I are available to answer questions.

Thank you.